

A Business Case study in Corporate Social Responsibility

Embedding Human Rights at Titan Industries Ltd.

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This business case was prepared in consultation with Manoj Chakravarti, Vice President Corporate Affairs and Head- Corporate Social Responsibility at Titan Industries Ltd., Ursula Wynhoven, Matthew Kasdin, Mike Simpson and Nicholas Perini of the Office of the United Nations Global Compact, and Professor Jay Handelman of the Queen's University School of Business.

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Introduction

Manoj Chakravarti, Vice President – Corporate Affairs and Head Corporate Social Responsibility at Titan Industries Ltd. (Titan), set off for the annual review of his company before the Tata Council on Community Initiatives with two new programmes to discuss: the first promoted the employment and training of differently-abled workers, and the second, called Management of Enterprise and Development of Women (MEADOW), concerned the empowerment of women. Manoj wanted to illustrate to the Council, which oversees the company’s Core Values, how the two new programs had been able to assist the less privileged in Titan Industries’ stakeholder communities, providing them with the skills to create profitable businesses.

Background and Business Context

“In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence” Mr. Jamsetji N Tata, (Founder, Tata Group)¹

An academic study² considered a) the analytical tools developed at the international level for integrating human rights-related corporate social responsibility (CSR) into business practice; b) the motivations for integrating human rights-related CSR into business, both enlightened self-interest and a philosophy of corporate philanthropy; and c) how human rights-related CSR philosophy can be translated into action through vision, leadership and employee engagement, by

¹ Cited by Manoj Chakravarti, Titan. India, in a presentation entitled, “Importance of Engaging the Community” at the Conference, The Management of Corporate Social Responsibility Ethical Corporation, Asia Hong Kong 2004 (14th – 15th October 2004).

² An academic study prepared by Oonagh E. Fitzgerald, BFA, LLB, LLM, SJD, EMBA (Candidate), who reviewed United Nations human rights instruments, UNGC documents describing the application of human rights principles to the business context, Titan and Tata documentation, newspaper articles, and case studies and reports by Indian and other human rights NGOs, to determine whether Titan has in fact integrated human rights into its business model, and if so, how this has been accomplished. An obvious limitation to the study was that it was not possible to verify impressions by visiting Titan and the two specific human rights projects and engaging in detailed communication with relevant stakeholder, raising the possibility that written reports, actual behaviour and practical results might diverge in important ways. Furthermore, the concept of embedding human rights in business practices is quite intangible, depending on a combination of actions, words and attitudes, so the search for evidence of it could not be approached entirely directly. In order to develop a framework to interpret, assess and judge the meaning and authenticity of what was being reported, and to compensate somewhat for the lack of field work, the scope of the research was broadened to include the philosophical, cultural, political and business context.

integrating human rights into business risk management and by communicating vision and values. The conclusion was that integration of human rights-related CSR is possible where the company (through its history, reputation and executives) has a strong philosophical belief in its social purpose, reinforced by self-interest in succeeding in the communities and markets in which it operates, the vision is widely shared and modelled by the leadership and employees, and there is awareness, understanding and prudent management of human rights aspects in business decision-making.

Over a century ago Jamsetji Tata, founder of the Tata Group, envisioned the good corporation as one committed to serving its host community and extending the benefits of prosperity to all society including its most disadvantaged members, and he committed his company to achieving this early vision of CSR. Today the integrated Tata model guides the conduct of Titan and others in Tata's vast family of enterprises.

Titan Industries Ltd.

Titan was established in 1984 as a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation, and has grown to be, present in 30 countries covering the Middle East, Africa and Asia Pacific, with 12,000 sales outlets and more than 600 service centres. The company has its Registered Office at Hosur, Tamil Nadu, with manufacturing and assembly operations at Hosur, Dehradun and Himachal Pradesh and an electronic circuit board unit in Goa.³

The Tata Group

To understand Titan's record in human rights-related CSR it is necessary to examine the company both independently and in relation to the greater Tata Group. Titan's family connection with the Tata Group and Tata's long history of social engagement help to explain how the commitment to CSR became so deeply entrenched in the Titan business model. What is now the Tata Group has grown to be a more than USD 22 billion conglomerate comprising 93 companies active in seven business sectors – Engineering, Materials, Energy, Chemicals, Consumer Products, Services and Communications and Information Systems. The Tata Group is India's best known industrial group with a turnover equivalent to 2.6% of the country's GDP. It is also India's largest private

³ Titan website: <http://www.tata.com/titan/index.htm>; Chakravarti, Note 1.

sector employer. The Tata strategy is increasingly turning global with numerous international acquisitions in recent years.⁴

The Tata Group appears to have long believed in returning wealth to the society it serves. Philanthropy is viewed as a precondition for building a sustainable relationship with the community. The Tata approach seeks to integrate CSR considerations into the very core of the business with shareholder, employee, community and national interests all being taken into account in decision-making. The Tata Group includes major trust funds dedicated to scholarships and community development. The various Tata Group companies and trusts make substantial contributions to community initiatives (estimated at about 30% of yearly after tax profits).⁵ The Tata Group has a business model where two thirds of the Group's promoter companies are held by philanthropic trusts involved in serving the community, whether it be hospitals, education or service and research centres. The Tata Group's CSR activities are facilitated and encouraged through a central agency, The Tata Council for Community Initiatives (TCCI), which sets guidelines and measurement indicators like the Tata Index for Human Development.⁶ The Tata Group has signed on to the Global Compact principles and follows triple bottom line reporting, complying with the GRI guidelines, which entails comprehensively measuring and auditing the company's contribution against economic, ecological and social parameters⁷.

The Tata Business Excellence Model (TBEM), a derivative of the American Malcolm Baldrige quality model, was introduced by Ratan Tata after he assumed responsibility for the Tata Group in 1991.⁸ The objective of TBEM is to ensure that the Tata Group companies achieve defined

⁴ <http://www.tata.com>

⁵ http://www.tata.com/0_our_commitment/community_initiatives/overview.htm

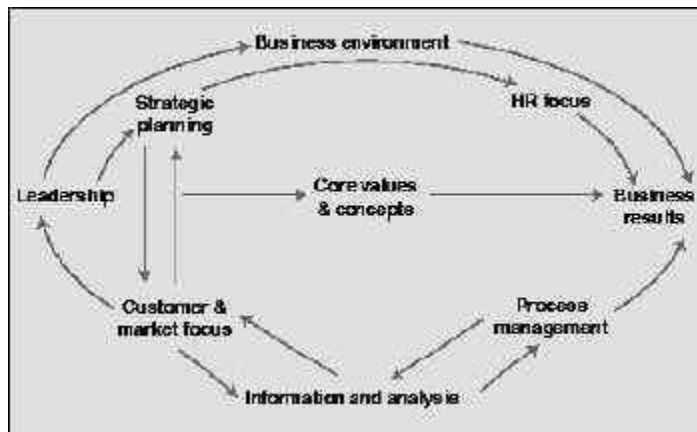
⁶ Business Line. *The Hindu*. October 29, 2004; "Tata Group Develops Human Development Index": "The Tata Group in association with the UNDP has developed an index for sustainable human development. The Chairman of the TCCI and Managing Director of Tata Industries, Kishore Chaukar, told newsmen on Friday that this index helps enhance the human achievement in a particular initiative. Mr. Chaukar said 10 major Tata Group companies have deployed this index. He said the TCCI has put together a structured programme to address the areas of social development. He said nearly 20 Tata Group companies have spent more than Rs 200 crore for various corporate social responsibility initiatives (CSR) during the last six to eight years. The Tata Council is a nodal agency for the Tata Group concerning all issues on CSR, social development and environmental activities, bio-diversity restoration and volunteering. There are around 10,400 volunteers across the Tata Group of companies involved with these activities. PricewaterhouseCoopers has already stated that the Tata index can be dovetailed into the sustainability reporting process adding value not just to Tata Group companies and but also provide a model for inclusion in guidelines of the global reporting initiatives."

⁷ Chakravarti, Note 1.

⁸ Nandini Lakshman & Gouri Shukla, "How successful is Ratan Tata" by Rediff.com (July 26, 2005).

levels of total organizational excellence, delivering ever-improving value to customers, contributing to marketplace success, improving overall organizational effectiveness and capabilities, and nurturing organisational and personal learning, with CSR treated as a priority. Journalist Srinivasan describes TBEM's core values and concepts as including:

“i) visionary leadership; ii) customer-driven excellence; iii) continuous improvement and learning; iv) valuing employees and partners; v) agility; vi) long-range view of the future; vii) managing for innovation; viii) management by fact; ix) public responsibility and citizenship; x) focus on results; and xi) systems perspective.”⁹



S. Srinivasan, “‘Modelling’ for business excellence” *The Hindu Business Line* (September 14, 2002).

The Tata Group also has a written policy on ethics called the Tata Code of Conduct and Ethics. Counsellors communicate and help implement the Code. Titan aims to provide the Tata Code of Ethics in booklet form to every employee of the company and all its vendors and franchisees, who are required to follow the same standards of conduct including the prohibition against employing child labour. Titan has 35 counsellors available to help with problems that may arise in the company. Titan also has policy documents on child labour, disaster management, employing disabled persons, environmental protection, HIV / AIDS and sexual harassment.¹⁰

TBEM is a model with an emphasis on internalizing process orientation in the organization. Thereafter, it tracks and measures performance and identifies opportunities for improvement through evaluation and improvement. Tata Group companies participate in an annual process of

⁹ S. Srinivasan, “‘Modelling’ for business excellence” *The Hindu Business Line* (September 14, 2002), describing the Tata Business Excellence Model.

external assessments by trained assessors, based on TBEM parameters. Tata Quality Management Services (TQMS), an arm of Tata Sons, benchmarks and enforces the quality standards and systems to be followed by the Tata Group. Only companies that qualify are permitted to use the Tata brand name. Companies must demonstrate their continued compliance with the Brand Equity Business Promotion scheme by scoring well under TBEM, and adhering to the principles of Management of Business Ethics and the Code.¹¹ Given the value associated with being permitted to use the Tata brand, there is a strong incentive to comply. The JRD QV award is given to the company with the best results, providing a further brand advantage to the winner. Titan Industries-Watch Division received this Award in 2006–2007.

Tata's history, TBEM, the Tata Code of Conduct, benchmarking by TQMS and guidance and support of TCCI all contribute to creating a corporate culture within the Tata Group in which human rights-related CSR is treated seriously and professionally, and integrated into business decision-making. Titan is able to draw on the expertise and experience of the Tata Group in designing and successfully implementing human rights-related CSR initiatives.

Indian Business Context

Many other Indian companies are also active in social development-oriented CSR projects.¹² The prevalence of CSR projects in the Indian corporate community provides a supportive environment for the Tata philosophy. IndianNGOs.com¹³ offers a definition of CSR that is consistent with the approach being advocated by senior management at Titan and other Tata companies: "Corporate social responsibility is a business process wherein the institution and the individuals within, are sensitive and careful, about the direct and indirect effect of their work on internal and external communities, nature and the outside world." Key features of this definition are that it concerns inward and outward perspectives, the character and culture of the corporation, the making and

¹⁰ Ibid.

¹¹ S. Srinivasan, "Modelling' for business excellence" The Hindu Business Line (September 14, 2002), describing the Tata Business Excellence Model; Tata website; http://www.tata.com/0_our_commitment/corporate_governance/code_of_conduct.htm.

¹² Interview of M.S. Banga, Chairman, Hindustan Lever Ltd., on IndianNGOs.com (May 31, 2005).

¹³ From the website of IndianNGOs.com, <http://www.indianngos.com/about.htm>: Vision for IndianNGOs.com: "Information & Knowledge Exchange" on Indian Social and Developmental Sector.

distributing of profits and sustainability, business process and the day-to-day activities of all employees and their social development partners.

IndianNGOs.com defines a corporation's stakeholders as "all those influenced by its decisions and actions, either locally or internationally", including "employees, stockholders, suppliers and contractors, consultants and business associates, neighbourhood communities, customers and the environment."¹⁴ Similarly, Titan defines its relationships with stakeholders in an inclusive way that encompasses not just shareholders, but Indian society, the local community in which it operates, Titan employees and their families, and local NGOs. Thus, in making an offer to shareholders for a recent debt issue, Titan describes in matter-of-fact detail its commitment to CSR:

"We have a well-defined policy on social responsibility. Our corporate social responsibility strategy is a process of balancing our relationships with a variety of stakeholders in the community. We assist the community at three levels: (i) as a member of the Tata Group, (ii) as a corporate entity and (iii) fostering the spirit of volunteering at the individual level. We also contribute to the initiatives taken by the Tata Group."¹⁵

Indian corporate law generally, and the statutory duties of boards of directors specifically, do not appear to limit the ability of a company to take this integrated approach to human rights-related CSR.¹⁶ Thus, in describing the CSR program to shareholders at the 2005 Titan Annual Meeting,

¹⁴ "On appreciation of the concept by Corporates visited", www.indianNGOs.com.

¹⁵ Titan Industries Letter of Offer for Equity Shareholders Only, March 9 2006, at p.71-72:

Major initiatives have been:

- Providing employment opportunities to the differently abled: Titan provides employment to about 120 disabled persons in its plants in Hosur and Dehradun.
- Providing educational assistance to the needy: The Titan Scholarship Programme awards over forty scholarships every year to the needy students of Dharmapuri as well as Krishnagiri district, to enable them to pursue academic and vocational disciplines of their choice.
- Promoting the Empowerment of Women: We in partnership with MYRADA, a NGO, have organized rural women into self-help groups who generate income through subcontracting of services by the company. At present more than 200 women are employed in activities ranging from the laundering of uniforms to the braiding of chains and studded jewellery manufacture.
- Assisting artisans in jewellery manufacturing: The Jewellery Division has started the concept of *karigar* parks where *karigars* are trained to provide an opportunity to become our vendors. For more information please refer to the subsection titled "*Karigar Parks*" on page 64 of the Letter of Offer.
- Supporting Education: The Titan school provides quality education to the students of the community up to Class VI. The school has recently applied for CBSE affiliation.
- Partnering with non governmental organisations (NGOs): We also partner with national NGOs like SOS Village, CRY,
- Concern India, Indian Cancer Society, Clarke School for the Deaf on an ongoing basis by supporting their programmes.

¹⁶ For example, directors' duties do not seem to be as narrowly focused on shareholders' interests as under US corporate law. See "Directors' Liability," by Soma Dhawal, LegalServiceIndia.com:

Company Chairman Rameshram Mishra reports on its community partnerships and, “in the spirit and tradition of the Tata Group and the Government of Tamilnadu”, affirms Titan’s philosophy, that “a company cannot be an island of excellence in a sea of deprivation”, and its commitment to the Global Compact 10 principles.¹⁷

Effective integration of human rights-related CSR into the business model is not a simple or superficial affair, but requires a deep reflection and transformation in the way a business enterprise conceives its identity and purpose, and an alignment of the company’s leadership, employees, business strategy, human resources, risk management, partnerships, community relations and communications around the clarified and integrated CSR-business vision. Anant Nadkarni explains how every company should develop and nurture its own model of CSR as an integrated part of the business model for greatest leverage:

“In a properly defined business model the company's values and its approach to business get properly integrated with its social responsibility into one coherent entity without a dissonance. This generates the assurance one looks for when people at large seek a credible partnership with the corporate world. This approach also comforts shareholders on what their companies are really up to.

On the other hand, employees are clear when their business goals, core strategy and development activity are set in the same frame. Employee motivation to volunteer is enhanced by a systematic approach to CSR. This way the company finds a huge potential in employees to become 'evangelists' of its basic value system. Developing a model for CSR in consonance with business strategy therefore goes a long way to build more credible brands.”¹⁸

Mr.Nadkarni endorses the India Partnership Forum, a joint initiative of UNDP India and the Confederation of Indian Industry (CII) seeking “to promote multi-stakeholder dialogue on Corporate Social Responsibility issues and a common understanding of good corporate

“Accountability is an important element of Board effectiveness. There should be some mechanism for evaluating the performance of the directors. The extent of liability of a director would depend on the nature of his directorship. In applying the general equitable principles to company directors, four separate rules have emerged. They are (1) that directors must act in good faith in what they believe to be the in the best interest of the company (2) they must not exercise powers conferred upon them for purposes different from those for which they are conferred. (3) that they must not fetter their discretion as to how they shall act and (4) that without the informed consent of the company, they must not place themselves in a position in which their personal interests or duty to other persons are liable to conflict with the duties to the company.”

¹⁷ Titan Industries Limited Chairman’s Speech at the 21st Annual General Meeting on 31 August 2005.

¹⁸ “CII-UNDP Social Code for Business - fast forward on social responsibility”, interview with Mr. Anant G. Nadkarni, General Manager, Tata Council for Community Initiatives, by IndianNGOs.com.

citizenship particularly through evolution of a common code.”¹⁹ The IPF has produced a Social Code for Business. The Tata Code of Conduct emphasizes the interdependence of business and the well-being and self-reliance of communities. Mr. Nadkarni points out that companies adopting this code systematically weave CSR into their business process and strategy thereby linking their social development work to areas of their core competence, building their human resource policy to support these activities and strengthening the credibility of their efforts.

Titan’s Current CSR Program

Titan has a varied and aggressive CSR agenda, founded on the notion that “companies can do well by doing good” and that “business needs must not diminish the capacity of future generations to meet theirs”.²⁰ Under the broad rubric of sustainable development, Titan gives a modern CSR spin to measures that they feel are consistent with Tata’s founding philosophy and values. In presenting its 2006-2007 business plan for sustainable development, Titan describes the business case for CSR as competitive advantage, cost reduction, ability to attract and retain the best employees and strengthen productivity, enhanced consumer empathy, creating a better environment, and creating the image of a sharing, caring and successful company. In short- a triple bottom line approach to a sustainable business.

Titan’s CSR strategy includes elements related to good governance, human rights, environmental protection and sustainable development, as well as community, social, economic and cultural development. The company’s business plan refers to providing micro business opportunities and support to poor village women and individual jewellery artisans (karigars); employing disabled persons; taking environmental protection initiatives; sponsoring educational institutions and programs and offering scholarships; supporting health care projects; and abiding by the Tata Code of Conduct which is the base fabric on which they operate. Among the CSR initiatives, two key programs have helped Titan to learn about the process of embedding human rights concepts

¹⁹ Ibid.; The India Partnership Forum, Multi-stakeholder Dialogue for promoting Corporate Social Responsibility (CSR), <http://www.indiapartnershipforum.org/disclaimer.htm>, from the official website: “The Forum also seeks to promote and pilot new and innovative initiatives in corporate partnership for development. A multi-disciplinary Governing Board guides the Forum launched by the UNDP Administrator along with the President, CII in February 2001 at New Delhi. A key development accompanying the launch of the Forum was adoption of the Social Code for Business.”

²⁰ “Titan Industries - committed to sustainable development: business plan 2006-7”, Titan Industries Ltd. deck presentation (Spring 2006).

in business practice. The first program promotes differently-abled employees and the second promotes empowerment to disadvantaged women employees.

Employment opportunities to differently abled:

The key objective of Titan's Community Development Policy is to improve the opportunities of differently-abled people. This starts with the recruitment process. Persons with disabilities from lower socio-economic status who belong to interior villages of Tamil Nadu were identified and provided employment opportunities. Currently Titan employs 117 employees (representing 6.42% of total employee population) with disabilities including auditory (84 employees), physical (29 employees), and visual (4 employees). Ergonomics/safety standards of the workplaces these employees have been adapted in the representative departments (e.g. handrails provided at 8 locations to help physically handicapped employees in ascending and descending the steps, lay out changes, etc.). These employees are involved in polishing watch cases, strapping and packing the watches, assembling, sorting, buffing, making ornaments, etc.²¹ Titan subcontractors also hire large numbers of disabled workers.²²

To make the initiative sustainable and to address the special needs of these employees, the following ongoing steps are taken: training to enhance technical competence, computer literacy, non-discrimination policies, creating a conducive work environment by creating an ergonomic working area, effective grievance handling, and counselling to tackle problems such as exploitation, marital conflicts and emotional problems. As a result of the employment opportunity and other initiatives, Titan believes that the quality of life of these employees has improved to a great extent.

Women's empowerment

²¹ "Almost 75% of the disabled employees live in Titan Township and their children are provided education from the Titan School at Mathigiri. There has been a positive shift in their social status, many of them have risen from lower socio economic strata to middle class." Manoj Chakravarti in an interview with IndianNGOs.com.

²² Titan Dehradun, with 98 employees, has more than 25% who are differently abled.

Management of Enterprise and Development of Women (MEADOW) began as a program to help combat female infanticide in the Dharmapuri district, and to better the standard of living of women in these communities. Titan's involvement started by hiring women to make chappatis for the factory workers. Later, they were asked to take care of the laundry. In 1995, Titan joined hands with Myrada,²³ an NGO that works on social causes, and started a bracelet-making unit.

Satisfied with the professionalism displayed by these women, Titan then decided to convert the bracelet unit into a privately held company, one owned and run by the women themselves. MEADOW, a subsidiary that is solely dedicated to women's empowerment, was thus born.

To make the initiative sustainable, Titan began providing the technical training and expertise of running a business to MEADOW. Today, nearly 200 women of these villages own MEADOW. MEADOW has three women directors who have seen the organization grow from its early days. Profits of the company are equally shared among the employees with a significant amount being added every year to the corpus fund, which takes care of the company's various needs and also raises the standard of living for the employees' families.

Titan's association with the MEADOW program has helped to empower 200 women in the workforce, who take pride in the fact that they have been involved every step of the way in building and running their company. They have reached levels of capability where they can directly negotiate with Titan in the annual revision of piece rates, handle all purchases, control the movement of their vehicles, draw up work schedules, calculate payments, follow up on receivables, do the base work for meeting all statutory requirements etc. In many cases, these women have become the most important wage earners in their families. Titan representatives meet with MEADOW employees on a regular basis for weekly and monthly production related meetings and for periodic meetings on annual price negotiations, new opportunities and major process modifications.

²³ www.myrada.org. Myrada's website states that it is a "secular organisation established in 1968 to work with the government in resettling 15,000 Tibetan refugees in the state of Karnataka. It is one of the larger NGOs in India and works with government bodies (departments of the state and the central governments) to achieve a wider reach and to influence policy decisions. It supports a network of eight NGOs involved in forestry in Andhra Pradesh and is a member of various operational district-level networks in Karnataka. It is also represented on the FWWB Ahmedabad, Corporation Bank, National Wastelands Development Board, AME, GVT and on several other government committees at state and national levels. Registration: Society."

Its focus is "to re-create a self-sustaining habitat that balances the legitimate needs of people with the availability of natural resources; promote strategies that help realise the full potential of women and children and influence public policies in favour of the poor."

Currently, MEADOW has a corpus fund of Rs.30 Lakhs,²⁴ it has declared a dividend of 33% to shareholders (who are also the employees of MEADOW) and the Titan-MEADOW association has seen steady growth. During January 2003, MEADOW started one more unit to undertake some of the strapping operations of Titan. Since the project's inception, we have been made aware of 20 women that have gone on to pursue higher education and are now graduates. We have also noticed positive changes in standards of living (like housing, savings, etc), social recognition and health in the communities in which MEADOW operates.

In addition to these two human-rights focused initiatives, Titan has several major CSR projects on education and community engagement.²⁵ Titan's human rights initiatives, especially those relating to disabled workers, have won the company public recognition and numerous awards.

Titan's engagement in CSR appears to be grounded in the company's vision and sense of its role in Indian society. Human rights-related CSR seems to be fully integrated into its business model so as to be a way of life for the corporation. As such, there do not appear to be tensions between the company's desire to do business and its desire to promote CSR. Titan's philosophy was encapsulated by Mr. Chakravarti, speaking in October 2004 at a conference in Hong Kong:

“Simply put, Business is no more than a trustee of society, environment and the community. What comes from the people must go back to the people. In short, we try and remember the very reason

²⁴ Equivalent to CAD 72,700 (September 14, 2006).

²⁵ III-The Titan School, a community school with 300 students fostering holistic development of mind, body and heart; IV-Titan Scholarship Scheme for the benefit of the residents of Dharmapuri District, one of the most disadvantaged districts of Tamil Nadu based on the poor socio-economic background and poor literacy rates (so far 357 students have benefited from the program); V-The Titan Township at Hosur (designed a self-contained township with superior physical and social infrastructure for 130 families); VI-Employee Involvement In Community Development and VII-Volunteering in our other locations (inculcating an attitude of giving back to the society); and VIII-Partnering with other organisations to improve the quality of life of children: Chakravarti, Note 1.

Another initiative of note is Titan's development of *karigar* parks, providing local jewellery makers with training and employment as independent contractors for Titan. It is described as follows in Titan's recent debt issue prospectus (Titan Industries Letter of Offer for Equity Shareholders Only, March 9 2006, at p.64):

A typical jewellery industry usually consists of an owner, middlemen and a *karigar* (workman with jewellery experience). In order to eliminate middlemen and provide direct employment to *karigars*, *karigar* parks were set up at Hosur in 2001. The *karigar* parks have also helped reduce the cost of manufacturing. As they are akin to ancillary units, gold is under our surveillance and control. We train the owner and workforce of such *karigar* parks to follow the systems and procedures laid down by us to ensure quality products to customers. We also provide the raw materials and designs to the *karigars*. As the *karigar* park is located at Hosur we benefit from quick delivery, reduced inventory holding, quicker communication, flexibility to respond during exigency, elimination of logistics cost and quicker lead time.

See also, “Tanishq plans pilot ancillary jewellery unit”, Financial Express - June 6, 2002. While this project has an interesting CSR aspect it was also designed to meet urgent production needs without expensive physical infrastructure and intensive hiring.

and basis of our existence as a Company - is for the society. If society is sustained, so will we [be].”²⁶

Lessons Learned and Conclusion

Titan scores well against the Global Compact criteria for internalizing human rights related CSR in the business model. Vision, leadership, empowerment, policies and strategies, resources, innovation and process are aligned around business and social development goals. Over the long term, the two key human rights initiatives, focusing on disabled employees and women, are having a positive impact on employees, communities, the supply chain and society. Titan and its NGO partners are reporting on the initiatives and communicating about progress, thereby exposing Titan’s practices to public view and evaluation, reinforcing pressure to perform well and address criticisms that may be raised.

From this analysis of how Titan has integrated human rights-related CSR into its business model, it is possible to draw the following recommendations for business enterprises seeking to improve their human rights performance:

1. The corporation needs to address human rights in articulating corporate values. Values are central to integration of human rights-related CSR. A company gets its values from its community and culture, inspired by leaders, who embody the desired attributes and values.
2. To create a corporate culture that reflects the desired values, corporate leaders must teach, communicate and model those values.
3. Values have to be communicated constantly, consistently and with inspiration and passion so they are internalized by employees and stakeholders. At the same time corporate leaders must constantly check their communications for authenticity, to ensure they are “walking the talk” and thereby maintaining the trust of employees and community stakeholders.

²⁶ Chakravarti, Note 1.

4. Coordinating human rights behaviour and reputation across a vast and diverse corporate empire presents risks, challenges and opportunities. While being part of a corporate family that espouses similar human rights-related CSR values exposes a company to being tarnished by any missteps in the corporate family, it provides many synergies: brand enhancement, standard-setting, methodology, expertise, capacity, reinforcement and encouragement of values and momentum.
5. Values are powerful builders of brand but should never become a source of complacency, vanity and self-satisfaction. Behaviour and results must constantly be verified and evaluated, by such mechanisms as a code of ethics, ethics counselors and CSR champions, a business excellence model, whistle-blowing mechanisms, triple bottom line reporting, third party audits, dialogue with stakeholders, the free press, and independent case studies.
6. The corporation should be prepared for both risk and opportunity from integrating human rights-related CSR into business practice. They may risk exposure and accountability for corporate, employee, or partner shortcomings but may also enjoy new business opportunities and learn new ways of doing business.
7. Risk management is a crucial aspect of integrating human rights-related CSR into business practice. The corporation needs to consider a broader range of factors in its business decision-making, learn how to weigh and reconcile competing stakeholder interests, and make decisions guided by the company's values and vision.
8. Committing to human rights- related CSR is not the same as achieving sainthood – sometimes things do go wrong, mistakes are made, and it takes considerable effort and time to learn how to do social development work. What counts is good risk management, honest evaluation, quick acknowledgement and remediation of mistakes, openness to new approaches, commitment to making a difference.

This case study of Titan demonstrates that CSR and the Global Compact have global resonance and have the potential to revise, even revolutionize, prevailing notions about the “business of business” as companies increasingly go global. Titan aspires to be a model of the good corporate citizen engendered by India's political, economic, cultural and corporate history and sustained by

imagination and commitment to a new kind of socially responsible business excellence. With nearly 150 years of economic growth, corporate philanthropy and social responsibility behind them, the Tata Group provides a successful example where the integrating of values of sustainability into a business can indeed be good for business.

As Manoj prepared for Titan's review in front of the Council, he studied the report by the independent Canadian researcher who had been examining Titan's efforts at embedding human rights principles. Scrolling through the document to the heading Findings and Analysis, he skimmed though it one more time, knowing that it would not be enough simply to present the two programs to the Council as Titan's latest socio-economic success stories, they would want to know what had been learned through these initiatives, from the association with the UN Global Compact, and from the academic analysis of Titan's CSR practices that would be of future value to the Tata family of companies.

As he read the report, Manoj's pride at Titan's accomplishments was tinged with humility: he was struck by the smallness of these projects when compared to India's vast needs, so evident all around in the communities where Titan operated. Breathing deeply, he reminded himself of the importance of patience. He knew success had come from working on the small things while staying true to the long term goals. Manoj hoped that the generalizations derived from Titan's experience would be helpful to the Tata family of companies and other companies seeking to integrate human rights into their business practices. With Titan's business interests expanding beyond India, he also hoped that the Titan model of corporate citizenship and embedded human rights would serve as a model on the global stage.